

1 John L. Cooper (State Bar No. 050324)
jcooper@fbm.com
2 Stephanie Powers Skaff (State Bar No. 183119)
sskaff@fbm.com
3 Eugene Y. Mar (State Bar No. 227071)
emar@fbm.com
4 Farella Braun + Martel LLP
235 Montgomery Street
5 San Francisco, CA 94104
Telephone: (415) 954-4400
6 Facsimile: (415) 954-4480

7 Attorneys for Defendants
TECHNOLOGY PROPERTIES LTD. and
8 ALLIACENSE LTD.

9 UNITED STATES DISTRICT COURT
10 NORTHERN DISTRICT OF CALIFORNIA
11 SAN JOSE DIVISION
12

13 HTC CORP. and HTC AMERICA, INC.,

14 Plaintiffs,

15 vs.

16 TECHNOLOGY PROPERTIES LTD.,
17 PATRIOT SCIENTIFIC CORP., and
18 ALLIACENSE LTD.,

19 Defendants.
20

Case No. 5:08-cv-00882 JF(HRL)
(Related to 5:08-cv-00877 JF and 5:08-cv-
05398 JF)

**DEFENDANTS TECHNOLOGY
PROPERTIES LTD.'S AND ALLIACENSE
LTD.'S NOTICE OF MOTION AND
MOTION TO COMPEL
INTERROGATORY RESPONSES AND
PRODUCTION OF DOCUMENTS;
MEMORANDUM OF POINTS AND
AUTHORITIES IN SUPPORT THEREOF**

Time: 10 a.m.
Date: December 7, 2010
Judge: The Hon. Howard R. Lloyd
Location: Courtroom 2

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23 **[REDACTED]**
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NOTICE OF MOTION AND MOTION TO COMPEL

TO ALL PARTIES AND THEIR COUNSEL OF RECORD:

PLEASE TAKE NOTICE that on December 7, 2010, at 10 a.m., or as soon thereafter as the matter may be heard, in Courtroom 2, at the above-titled court, at 280 South 1st Street, San Jose, California, defendants Technology Properties Ltd. and Alliacense Ltd. (collectively, "Defendants"), will and hereby do move the Court for an order compelling plaintiffs HTC Corp. and HTC America, Inc. (collectively, "Plaintiffs" or "HTC") to provide further discovery responses and production.

Defendants move the Court for an order compelling HTC to provide within ten business days verified supplemental responses to Defendants' Interrogatories Nos. 1 through 8, specifying the exact bases of HTC's non-infringement, invalidity, and non-enforceability allegations as to each patent-in-suit, supported by specific citations to all facts and evidence known to HTC that support or contradict those allegations, including the names of all witnesses with relevant information and the Bates numbers of all documents containing responsive information.

Technology Properties Ltd. ("TPL") also moves for an order compelling Plaintiffs to produce within ten business days all chip-level documents called for by TPL's Request For Production 14, such as schematics, diagrams, drawings, and similar documents for the microprocessors HTC incorporates into its accused products. Among such microprocessor-related documents are those that originated from or are in the possession of third-party chip providers. TPL further moves the Court to compel HTC to provide to the Court and TPL within 30 days a signed certification stating (1) that HTC has requested for immediate delivery the chip-level documents responsive to Request 14 from all the suppliers of chips incorporated into HTC's accused products, (2) the responses to those requests, (3) whether HTC has a legal right to obtain those documents, including an explanation of why or why not, (4) that HTC has completed a reasonable and thorough search for all such documents and has produced all of them that are in its possession, custody, or control, (5) the scope of its search for those documents, including descriptions and lists of the departments, servers, and databases that HTC searched, and (6) that the search included all e-mails, electronic files, and hard-copy files of all engineers who worked

1 on any accused product or who participated in HTC's non-infringement analysis.

2 Defendants certify that they conferred in good faith with HTC in an effort to obtain the
3 discovery sought by this motion without court action. (See Decl. Of Eugene Y. Mar In Supp. Of
4 Defs. TPL's & Alliacense Ltd.'s Mot. To Compel Interrog. Resps. & Produc. Of Docs. ("Mar
5 Decl.") ¶¶ 2-12.)

6 MEMORANDUM OF POINTS AND AUTHORITIES IN SUPPORT OF MOTION

7 I. INTRODUCTION

8 This is a patent infringement case. In February 2008, HTC filed this declaratory judgment
9 action against TPL, Patriot Scientific Corp., and Alliacense Ltd., claiming that TPL's Moore
10 Microprocessor Portfolio ("MMP") patents were not infringed and are invalid. TPL filed
11 counterclaims, asserting that a number of HTC's cellular phone products infringe the MMP
12 patents.

13 Despite having initiated this lawsuit, HTC has refused for over one-and-a-half years to
14 identify any specific documents, witnesses, or facts that support or contradict the specific bases
15 for its non-infringement, invalidity, and non-enforceability allegations in the First Amended
16 Complaint. HTC responded to Defendants' interrogatories seeking that information with little
17 more than a laundry list of every limitation from each asserted claim. HTC's conclusory
18 responses assert that the accused products do not contain or practice any of those limitations, but
19 do not provide any specific facts, witnesses, or documents supporting or contradicting those
20 assertions. There is no plausible excuse for HTC's continued refusal to respond.

21 Plaintiffs also have failed to produce chip-level documents, such as schematics, diagrams,
22 and drawings, concerning microprocessors incorporated in HTC's accused products. HTC claims
23 it has no chip-level documents for microprocessors manufactured by [REDACTED] or [REDACTED] that
24 are used in HTC's products, and very few such documents for microprocessors manufactured by
25 [REDACTED] or [REDACTED]. It is implausible that HTC, one of the world's foremost makers
26 of cell phones, controls such a limited number of documents showing the circuitry of many of the
27 chips it incorporates in its products; without access to such documents HTC could not ensure that
28 the components of its products would work properly together. At a minimum, the Court should

DEFS.' NOT. OF MOT. & MOT. TO
COMPEL; MPA IN SUPPORT THEREOF

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1 require HTC to provide to the Court and TPL a signed certification that it has completed a
 2 reasonable search for and produced all such documents in its possession, custody, or control,
 3 including by requesting them from its chip suppliers.

4 HTC's refusal to state the specific facts and evidence supporting its allegations and to
 5 provide chip-level schematics and similar documents for the accused products is unjustified and
 6 serves only to delay this case. The Court should compel HTC to provide detailed, specific
 7 responses to the interrogatories at issue and to produce additional documents.

8 **II. STATEMENT OF FACTS**

9 HTC initiated this lawsuit on February 8, 2008, seeking a declaratory judgment that HTC
 10 did not infringe TPL's MMP patents. (Compl., cover page & ¶ 1, Dkt. No. 1; Defs.' Countercl.
 11 ¶¶ 8–11, Dkt. No. 60.) HTC's First Amended Complaint, filed July 10, 2008, added another
 12 patent from this portfolio to the suit. (First Am. Compl. cover page & ¶ 1; Dkt. No. 34.) There
 13 are four MMP patents currently at issue: Nos. 5,809,336 (the "336 patent"), 5,440,749 (the
 14 "749 patent"), 6,598,148 (the "148 patent"), and 5,530,890 (the "890 patent").

15 **A. HTC Provided Inadequate Responses To Defendants' Interrogatories.**

16 Defendants' Interrogatories Nos. 1 through 8 require HTC to "[s]tate all facts and
 17 evidence that support" or "contradict" HTC's assertions in the First Amended Complaint that
 18 "[n]o valid and enforceable claim" of the four patents-in-suit "is infringed by Plaintiffs." (Mar
 19 Decl., Ex. A.)¹ Defendants served these interrogatories March 5, 2009. (*Id.* 6)

20 HTC responded with generic, blanket denials of infringement and assertions of the
 21 patents' invalidity and unenforceability. (*Id.*, Ex. B.) For example, in response to Interrogatory
 22 No. 3 regarding the '749 patent, HTC merely listed every limitation found in the asserted claims
 23 and stated it did not infringe them. (*Id.* 8–11.) HTC did not list a single specific fact, witness, or
 24 document that supports or contradicts Plaintiffs' allegations.

25 HTC's supplemental responses also provided no answers. On August 6, 2010, HTC
 26 promised to supplement its answers by August 23, *with supporting evidence it had as of that date.*

27 ¹ The discovery requests at issue, Interrogatories Nos. 1 through 8 and Request for Production
 28 No. 14, and HTC's objections and responses to them are in the appendix to this motion.

(Mar Decl. ¶ 2.) When HTC finally supplemented its responses on September 2, it only further obscured the issues by *adding* to its laundry list of limitations rather than specifying any specific facts or evidence. (*Id.*, Ex. C at 6–25.) For example, its list of limitations for the ‘749 patent increased from 20 limitations to 29. (*Id.* 12–16.) HTC again failed to identify a single specific fact, person with knowledge, or document that supports or contradicts its allegations.

When confronted with this continuing deficiency, HTC refused to agree to provide proper answers. (Mar Decl. ¶ 3.) HTC said it would not provide any supplementation at all until 30 days after filing the Joint Claim Construction and Pre-Hearing Statement, then later said it *might* supplement by November 18. (*Id.* ¶¶ 4, 5.) HTC claimed it “would be in a better position” to supplement its responses then. (*Id.* ¶ 5.) When TPL asked what information HTC would provide in that supplementation, HTC said it “might” cite to non-infringement documents and “might” name non-infringement witnesses. (*Id.* ¶ 6.) HTC thus refused to commit to providing any specific factual material supporting its non-infringement position and did not even say it “might” provide specific facts or evidence supporting its invalidity and non-enforceability allegations. (*Id.*)

B. HTC Failed To Produce Chip-Level Documents.

The accused cellular phones in this case incorporate microprocessors from five companies — [REDACTED] and [REDACTED] TPL’s Request for Production No. 14 requires production of “All DOCUMENTS concerning schematics, diagrams, catalogs, code (including executable or compatible code), product specifications, flow charts, models, drawings, promotional literature, advertising, engineering design, design rules, engineering analysis and testing, for any HTC PRODUCT or HTC CHIP.” (*Id.*, Ex. D at 7.) Request 14 thus seeks all relevant, nonprivileged documents related to HTC CHIPS. HTC CHIPS are “all integrated circuits found within any” HTC product in the United States. (*Id.* 3.) TPL served this request on February 20, 2009. (*Id.* 17.)

For many of the chips HTC uses in the accused products, it has not provided any documentation responsive to Request 14, despite promising in March 2009 to produce “schematics ... that describe the accused functionalities of the accused HTC products” (*Id.*,

Ex. E at 15.) Specifically, HTC has produced a very limited number of documents related to chips supplied by [REDACTED], has withheld the limited number of documents it has located related to [REDACTED] chips due to [REDACTED] asserted confidentiality concerns, and has claimed it controls no responsive documents whatsoever for chips supplied by [REDACTED] and [REDACTED] (Mar Decl. ¶ 7.)²

HTC claimed in meet-and-confer that it had done a reasonable search for these chip-level documents, but it is implausible that it has no documents whatsoever from [REDACTED] and [REDACTED] and so few documents from [REDACTED] and [REDACTED], given the importance of these documents to HTC's business. (*Id.* ¶ 11.) Furthermore, HTC did not specify which servers, departments, types of documents, or engineers' files were searched. (*Id.*) Nor has HTC said whether it searched the electronic and hard copy files of all engineers who developed the accused products. (*Id.*) HTC also never stated that it has requested those documents from its suppliers. (*Id.* ¶ 12.)

III. ARGUMENT

The Court should grant this motion because TPL cannot prepare its case for trial without the crucial information sought by the discovery requests at issue. The facts and evidence concerning HTC's core allegations in its complaint, as well as the schematics and similar documents concerning the chips at the heart of the accused products, are well within the proper scope of discovery because they are "reasonably calculated to lead to the discovery of admissible evidence" and seek information "relevant to the claim or defense of any party." *Survivor Media, Inc. v. Survivor Prods.*, 406 F.3d 625, 635 (9th Cir. 2005); Fed. R. Civ. Proc. 26(b)(1). The Court therefore has good cause to require HTC to provide complete, non-evasive answers to the interrogatories and to provide a complete production of chip-level documents responsive to Request 14. *See* Fed. R. Civ. Proc. 26(b)(1) (proper scope of discovery includes identity of

² HTC has informed TPL that it will produce a limited number of responsive, chip-related documents in HTC's possession that relate to [REDACTED] chips only if [REDACTED] consents to production of these documents. (Mar Decl. ¶ 8.) [REDACTED] has stated that it will not consent to production of these documents unless the parties agree to certain changes to the Stipulated Protective Order, or agree to a supplemental protective order. (*Id.* ¶ 9.) The parties appear to be near agreement on the additional protective-order provisions requested by [REDACTED]. (*Id.* ¶ 10.)

documents and witnesses); *see also* Fed. R. Civ. Proc. 33(b)(3) (requiring full answers to interrogatories); Fed. R. Civ. Proc. 37(a) (allowing motion to compel after failure to permit inspection and after evasive or incomplete answers). “Courts need not tolerate flagrant abuses of the discovery process.” *Campbell Indus. v. M/V Gemini*, 619 F.2d 24, 27 (9th Cir. 1980).

A. HTC Must Disclose the Facts, Witnesses, and Documents Supporting and Contradicting Its Claims of Non-Infringement, Invalidity, and Non-Enforceability.

The Court should order HTC to supplement its responses to Interrogatories Nos. 1 through 8 with proper answers within ten business days of granting this motion. HTC’s current responses merely attempt to hide HTC’s failure to specify a single specific fact, witness, document, or other evidence. HTC’s stonewalling in providing information it must have had years ago when it filed suit, as well as any information it has learned since, needlessly delays this action. Unless HTC answers with the exact bases of its allegations, supported by specific citations to facts and evidence, Defendants cannot properly advance this case. They cannot be sure which HTC and third-party witnesses they must depose on the non-infringement, invalidity, and non-enforceability allegations HTC intends to pursue. They cannot determine which documents they should analyze for use in depositions, propounding further discovery, preparing motions, and conferring with experts. Most basically, they cannot prepare for trial. Such inability to ascertain the core evidence of one’s adversary is the very definition of substantial prejudice in civil litigation.

The Court should reject HTC’s only remaining excuse for not having answered the interrogatories: that it “would be in a better position” to supplement its responses after it finishes formulating its claim-construction positions. (*See* Mar Decl. ¶ 5.) A party must *promptly* supplement “incomplete or incorrect” interrogatory responses. Fed. R. Civ. Proc. 26(e)(1)(A). HTC was required to have information with which it could answer Interrogatories Nos. 1 through 8 *before* it initiated this lawsuit nearly three years ago, because such information was necessary to fulfill HTC’s Rule 11 obligations in filing this declaratory-judgment action affirmatively alleging non-infringement, invalidity, and non-enforceability of the patents-in-suit. It is no excuse for delay that HTC later may need to supplement its responses again as it develops its claim-

1 construction arguments. Furthermore, a party cannot object to an interrogatory on the basis that
 2 the request is premature in light of the timing of disclosures under the Patent Local Rules. Patent
 3 L.R. 2-5. The Court should require HTC to disclose the specific bases for its non-infringement,
 4 invalidity, and non-enforceability allegations, and support them with citations to the information
 5 and evidence it has had for years, as well as to all facts and evidence compiled since filing suit.

6 **B. HTC Should Be Compelled to Produce All Chip-Level Documents Related to**
 7 **Its Accused Products Because They Are Central to This Lawsuit.**

8 The Court should order HTC to produce promptly the core, chip-level documents it
 9 promised to provide more than a year-and-a-half ago in response to Request For Production No.
 10 14.³ Without these documents, the microprocessor technology (that HTC contends does not
 11 infringe the patents-in-suit) will remain obscured. Defendants thus would be inhibited from
 12 developing their case for trial, including by propounding further discovery and preparing for
 13 dispositive motion practice. If HTC firmly believed its non-infringement allegations, it would be
 14 eager to produce these materials, instead of playing hide-the-ball. These documents are not
 15 peripheral to the case — they are critical to determining and proving whether HTC's accused
 16 products infringe the patents-in-suit.

17 **1. It Is Implausible That HTC Does Not Possess Or Have In Its Custody**
 18 **Any Additional Chip-Level Documents.**

19 HTC strains credulity by claiming that it has not located, after a year-and-a-half, any other
 20 documents showing the architecture of the chips that are the building blocks of its accused
 21 products. Without the information in these documents, HTC would not have the data necessary to
 22 develop and build the accused products. HTC never has shown that it looked in the right places
 23 for the responsive documents, including by searching the relevant databases and the correct
 24 engineers' files. The Court therefore should compel HTC to provide to the Court and TPL within
 25 30 days a signed verification stating that it has completed a reasonable and thorough search for
 26 chip-level documents in its possession and custody that are responsive to Request 14, stating the

27 ³ By this motion, TPL seeks an order compelling production only of the chip-level documents
 28 responsive to Request 14. It does not waive, however, its request for the additional documents
 called for by Request 14, *i.e.*, documents concerning the accused HTC products.

1 scope of that search, including descriptions and lists of the departments, servers, and databases
 2 that HTC searched, and stating that the search included all e-mails, electronic files, and hard-copy
 3 files of all engineers who worked on any of the accused products or who participated in HTC's
 4 non-infringement analysis.

5 **2. HTC Should Be Compelled To Request All Responsive Chip-Level**
 6 **Documents From Its Suppliers Because Such Documents Are Under**
 7 **HTC's Control.**

8 Because responsive documents in the possession of HTC's chip suppliers are, in reality,
 9 firmly within Plaintiffs' control, that material must be produced. A party must produce
 10 documents within its control, *i.e.* documents that the party "has the right, authority, or *ability* to
 11 obtain upon demand." *Export-Import Bank of U.S. v. Asia Pulp & Paper Co.*, 233 F.R.D. 338,
 12 341-42 (S.D.N.Y. 2005) (requiring party to request journals from third party) (emphasis added);
 13 Fed. R. Civ. Proc. 34(a)(1) (party required to produce documents in its control); *see also In re*
 14 *Folding Carton Antitrust Litig.*, 76 F.R.D. 420, 423 (N.D. Ill. 1977) (requiring defendants "at the
 15 very least" to inquire of third parties who may hold responsive documents); *accord Herbst v.*
 16 *Able*, 63 F.R.D. 135, 137-38 (S.D.N.Y. 1972); *see also Zervos v. S. S. Sam Houston*, 79 F.R.D.
 17 593, 595-96 (S.D.N.Y. 1978) (requiring party to request banking records). The Ninth Circuit
 18 holds that control of documents is not an "esoteric concept" but instead "must be firmly placed in
 19 reality." *United States v. Int'l Union of Petroleum and Indus. Workers*, 870 F.2d 1450, 1453-
 20 54 (9th Cir. 1989). Here, the supplier-customer relationship between HTC and its chip providers
 21 suggests that it has the ability to get, upon request, documents describing the chips HTC has
 22 bought from those suppliers. HTC certainly cannot claim it lacks control if it has not even
 23 requested the documents from the suppliers.⁴ The Court therefore should compel HTC to request
 24 and produce within ten business days the chip-level documents in the possession or custody of
 25 [REDACTED] or [REDACTED] unless already produced.

26 Since HTC may continue to insist that no such documents are in its control, the Court

27 ⁴ If HTC has a legal right to obtain the documents, a right that likely exists under its contracts
 28 with the chip suppliers, the Court has yet another independent basis to compel production. *See*
Int'l Union of Petroleum and Indus. Workers, 870 F.2d at 1452 (holding that control includes "the
 legal right to obtain documents upon demand").

1 should compel HTC to provide to the Court and TPL a signed certification within 30 days stating
 2 (1) that it has requested for immediate delivery the chip-level documents responsive to Request
 3 14 from all the suppliers of chips incorporated into HTC's accused products, (2) the responses to
 4 those requests, and (3) whether HTC has a legal right to obtain those documents, including an
 5 explanation of why or why not.

6 **IV. CONCLUSION**

7 For the reasons set forth above, the Court should issue an order compelling HTC to
 8 provide within ten business days verified supplemental responses to Defendants' Interrogatories
 9 Nos. 1 through 8, specifying the exact bases of HTC's non-infringement, invalidity, and non-
 10 enforceability allegations as to each patent-in-suit, supported by specific citations to all facts and
 11 evidence known to HTC that support or contradict those allegations, including the names of all
 12 witnesses with relevant information and the Bates numbers of all documents containing
 13 responsive information.

14 The Court should also issue an order compelling HTC to produce within ten business days
 15 all chip-level documents called for by Request For Production No. 14, such as schematics,
 16 diagrams, drawings, and similar documents for the microprocessors HTC incorporates into its
 17 accused products, including those chips provided by [REDACTED] and
 18 [REDACTED].

19 The Court's order also should compel HTC to provide to the Court and TPL within 30
 20 days a signed certification stating (1) that HTC has requested for immediate delivery the chip-
 21 level documents responsive to Request 14 from all the suppliers of chips incorporated into HTC's
 22 accused products, (2) the responses to those requests, (3) whether HTC has a legal right to obtain
 23 those documents, including an explanation of why or why not, (4) that HTC has completed a
 24 reasonable and thorough search for all such documents and has produced all of them that are in its
 25 possession, custody, or control, (5) the scope of its search for those documents, including
 26 descriptions and lists of the departments, servers, and databases that HTC searched, and (6) that
 27 the search included all e-mails, electronic files, and hard-copy files of all engineers who worked
 28 on any accused product or who participated in non-infringement analysis.

1
2 Dated: November 2, 2010

FARELLA BRAUN + MARTEL LLP

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4 By: /s/ Eugene Y. Mar

5 Attorneys for Defendants
6 TECHNOLOGY PROPERTIES LTD. and
7 ALLIACENSE LTD.
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